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U. S. Department of Agriculture

A radio interview between Frederic Clemson Howe, consumers' counsel, Agricultural Adjustment Administration, and Morse Salisbury, chief, Radio Service, United States Department of Agriculture, broadcast Friday, July 7, in the Department period of the National Farm and Home Hour, by a network of 48 associate NBC radio stations.

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SALISBURY:

Today's program introduces to you a new voice from the Agricultural Adjustment Administration. It is a voice you will hear often in the coming weeks. We are presenting to you today Dr. Frederic Clemson Howe, Consumers' Counsel in the Agricultural Adjustment Administration. By consumers' counsel I mean an official, who has been appointed by the Secretary, whose sole business it is to watch, look after, and safeguard the consumers' interests. That is why I am calling him the consumers' watchdog. I am telling you this in some detail because I want you to realize that our minds here in Washington are definitely on the consumer as well as the agricultural producer.

And the Secretary has created the job of people's attorney to do just this thing.

Dr. Howe is both a journalist and an author. He has been in public life for 20 years, first working with Tom L. Johnson in Cleveland and later Commissioner of Immigration in the Port of New York. In addition to this he has been identified with agricultural interests. He organized and was director of the All-American Cooperative Commission, which promoted farm cooperation. He was sent to Europe to make a study of farm conditions in Denmark. He has done the same thing in Germany. During the war he represented the northwestern farmers in connection with the Wheat Administration, and has written two books on this general subject, one "Denmark, A Cooperative Commonwealth Ruled by Farmers," and another book on America entitled "The High Cost of Living."

As we go along I will let him tell you what his job is.

Ladies and Gentlemen, Dr. Howe.

HOWE:

All right, Salisbury, and Farm and Home listeners, I'll be glad to tell you what are the duties of the consumer's counsel of the Agricultural Adjustment Administration -- I'll tell you as I find out from week to week. At present, the machine of agricultural recovery is just being assembled. I'm one cog.

SALISBURY:

Well, Dr. Howe, you can give us now the specifications for the cog laid down in the blueprint of the agricultural adjustment machine that the Congressional designers gave the Secretary.



HOME:

Yes. That can be done. The Adjustment Act specifically directs the Secretary to see that consumers' interests are protected. The declaration of policy in the first title of the Act lays down the principle of consumer protection in all operations under the Act. The clauses of the Act providing for processing taxes to raise funds for production control operations specifically direct the Secretary to "prevent pyramiding of the processing tax and profiteering in the sale of the products derived from the commodity."

As the official who helps the Adjustment Administration enforce those mandates of Congress, I am, as you say, a sort of watchdog of consumers' pocketbooks, but the job is more important than that.

SALISBURY:

Will you explain why, Dr. Howe?

HOWE:

Well, as I see it, protection of consumers from undue price raises is essential to the success of the whole program for national recovery. Secretary Wallace has said we must realize that there is a circulation within the national body, just as there is a circulation within the physical body. A failure in the circulation of prosperity to any one member of the national body causes a gangrene which imperils the national health.

For 12 years, farmers had slower and slower circulation of the blood of prosperity -- purchasing power. The gangrene of depression started in the agricultural member of the national body. It spread until the whole body was seriously infected. Because farmers lacked purchasing power at least 4 million city workers making goods that farmers usually buy lost their jobs. When they lost buying power, other workers making the goods they bought were thrown into unemployment. So it went. In these late years the great financial magnates and industrial enterprisers have been hurt by the lack of consumer purchasing power. The gangrene has spread to all members of the national body.

The Government has been called upon to minister to this illness. A blood transfusion has been determined upon. The plan is to pump purchasing power into the national circulatory system. The aim of the Agricultural Adjustment Act is to restore purchasing power to farmers. The aim of the National Industrial Recovery Act is to restore purchasing power to workers. If these two groups regain purchasing power, the enterprisers and financiers and merchants will also recover their business health. The recovery program is comprehensive. It touches all elements of the national body.

SALISBURY:

I see how your job fits in to the picture now. You have to see that this purchasing power is kept in circulation to infuse new life into the whole national body.



HOWE:

Exactly. You see, the public works section of the Recovery Act will put new purchasing power in the hands of consumers; so will the wage and hour requirements written into trade codes formulated under that Act; so will the agricultural adjustment benefit payments to farmers. But if retail prices increase faster, or even as fast, as wages and farm incomes increase, there will not be any increase in buying power. To increase the rate of circulation in the national body, we must use more goods. To use more goods, we must increase consumer incomes faster than retail prices.

SALISBURY:

So unfair advances in retail prices would prevent recovery from moving at the rate hoped for?

HOWE:

Naturally. Costs and prices must be balanced.

SALISBURY:

Well, you've made all of us understand that protecting the consumer's pocketbook is a matter of justice, and also of business common sense.

Now getting down to cases, what measures is the Agricultural Adjustment Administration taking to protect consumers against pyramiding of the wheat processing tax and profiteering in bread prices?

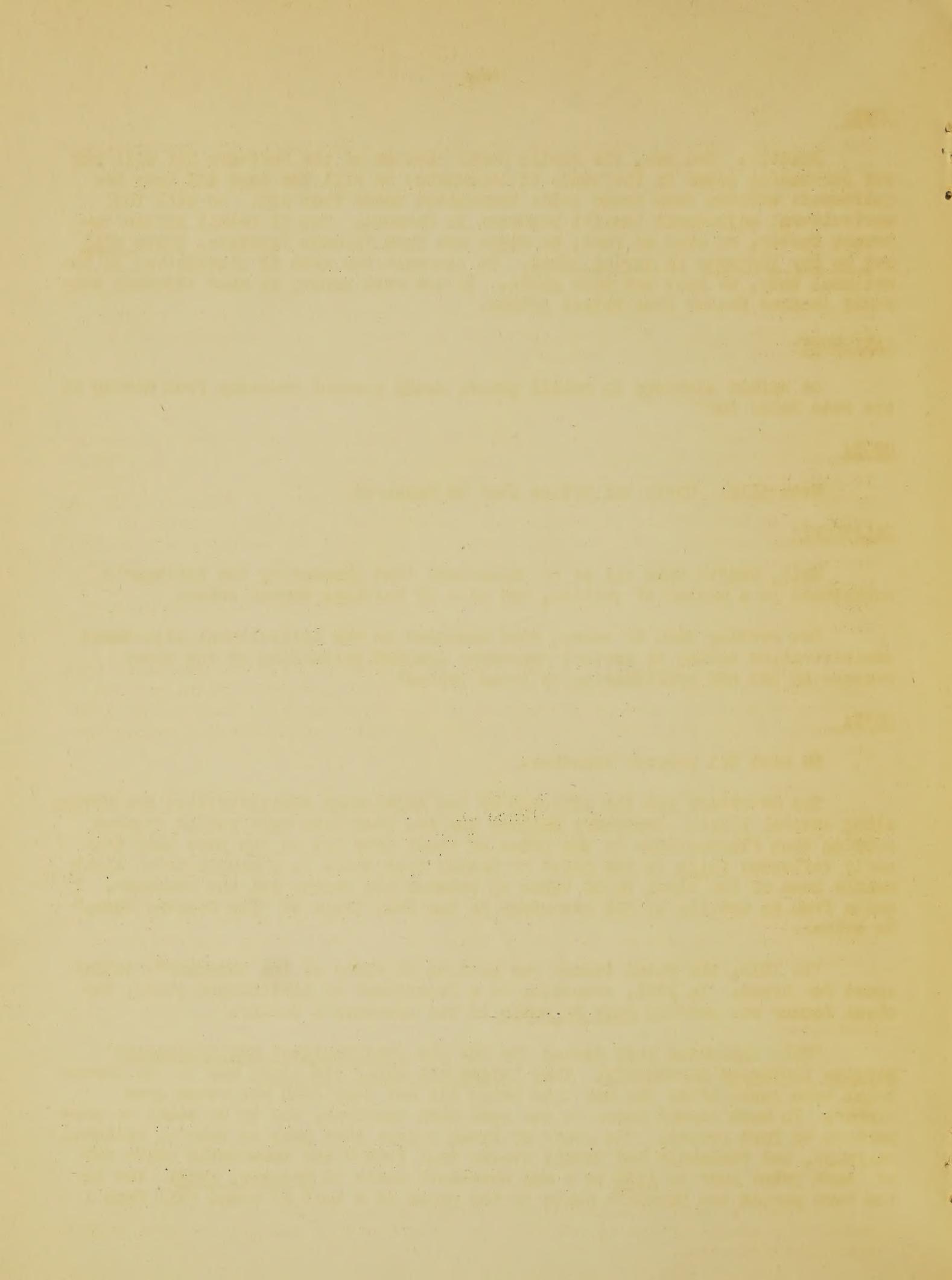
HOWE:

We must all prosper together.

The Secretary and the officers of the Adjustment Administration are moving along several lines. Secretary Wallace and Mr. Peek have made public figures showing that fluctuations in the price of wheat have not in the past been properly reflected fully in the price of bread; that there is a margin which might enable some of the slack to be taken up between the farmer and the consumer. I quote from an article by the Secretary in the July issue of "The Country Home." He writes:

"In 1913, the wheat farmer was getting 21 cents of the consumer's dollar spent for bread. In 1923, according to a Department of Agriculture study, the wheat farmer was getting only 16 cents of the consumer's dollar.

"This indicates that during the war the distributors' and processors' margins increased enormously. They bulged all along the line; and in the industrial boom years after the war this bulge did not come down but often grew higher. In more recent years it has come down somewhat, but by no means in proportion to farm prices. The share of bread prices that goes to bakers, millers, railways, and wholesale and retail stores fell from 7 and two-tenths cents out of each pound loaf in 1928 to 6 and one-tenth cents in October, 1932. Yet in the same period the farmer's share in the price of a loaf of bread fell from 1



and 9-tenths cents to 6-tenths of one cent. In other words, the manufacturers and distributors lost only 1.1 cents out of 7.2 cents, while farmers lost 1.3 cents out of their initial share of 1.9 cents. Note the great difference....."

The Secretary continued, "Whenever it becomes necessary to impose processing taxes on basic farm products and so provide fair payments for farmers we have certainly a just reason for doing so. And if these business agencies try to pyramid these taxes, or pass them back to the producer, or pass them in undue measure to the consumer, we have the power and the intention to come down on them hard. In the big concerns, at least, there plainly appears a margin which would allow them to take up a little slack."

I am quoting the Secretary in the above as to his attitude.

Last week, when the Iowa Bakers' Association announced intention to increase the price of bread 3 cents a loaf, the Secretary fulfilled his promise to come down on any appearance of unfairness to consumers. He wired officers of the Association that the advance in wheat prices plus the processing tax on wheat to go into effect July 9th would increase costs of bread production about 1 and 3-tenths cents a pound loaf. He reminded the baking association officers that the anti-trust acts are still in effect. The president of the association immediately gave assurances that he would try to keep price increases in line with increases in costs. The Secretary expressed appreciation of the attitude shown by the association officers.

Then, on Monday of this week, the Secretary and Mr. Peek announced that complaints of actual or prospective boosts in the price of bread in various parts of the country are being referred to the Department of Justice for such action as it may find necessary. Mr. Peek commented still further, along the line as follows (I'm quoting him)

"This Administration has pledged protection of the consumer from the very start. Definite guarantees for the consumer were written into the Adjustment Act itself. Those guarantees should be fulfilled. We do not believe that there is any justification for some of the bread price increases that have been reported. Let me again call attention to the fact that in Kansas City from the 1909-1913 period to 1932, while wheat prices fell more than 50 percent, bread prices rose 10 percent. This increase of bread prices in time of falling wheat prices shows why we must be on guard against pyramiding in a period of rising wheat prices. This is no time to increase the profit on bread".

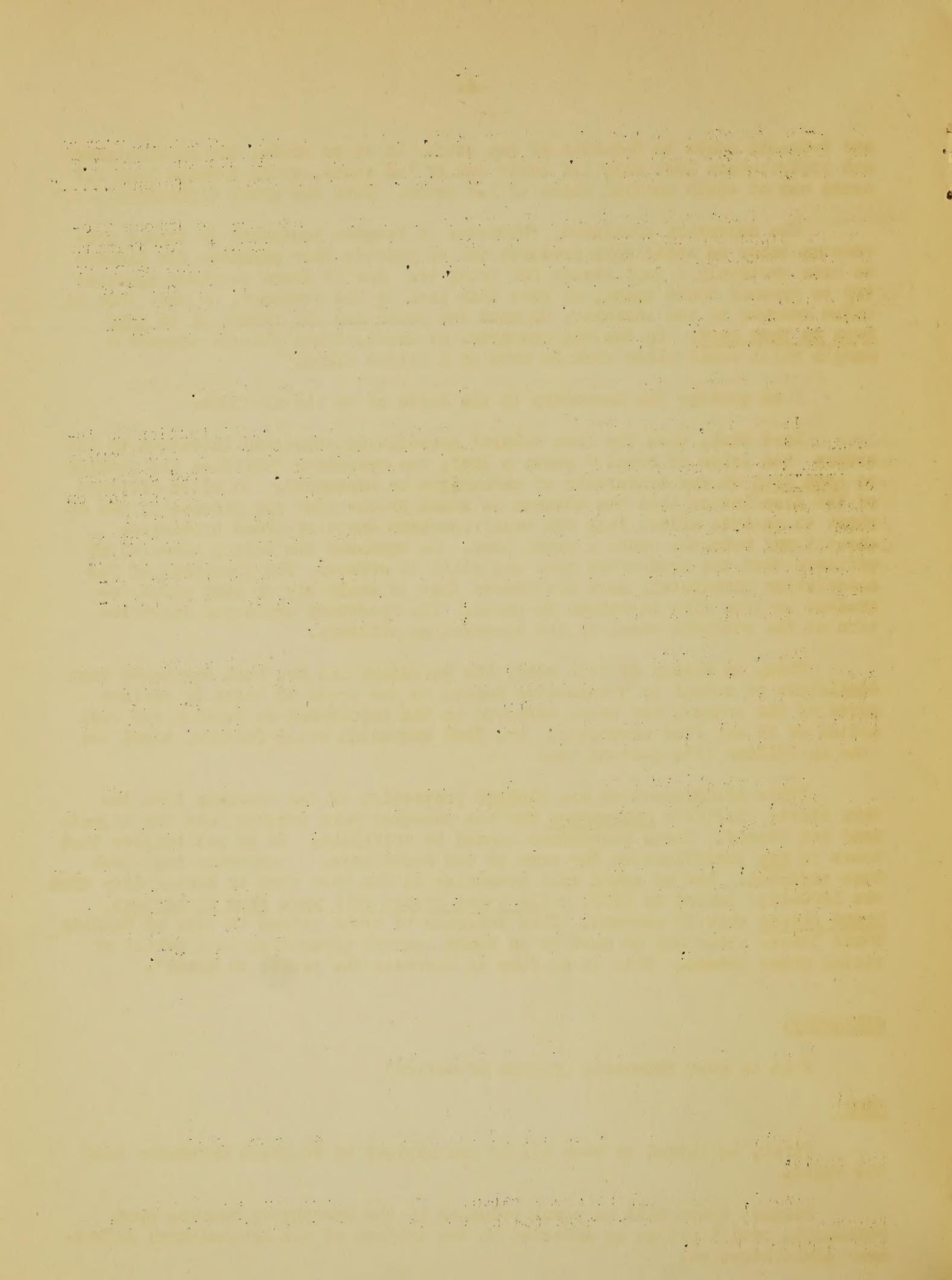
SALISBURY:

What is your immediate program of action?

HOWE:

First, we intend to keep all of you advised as to price movements over the radio.

Second, there will be press releases in the newspapers bearing upon reasonable retail prices as affected by the actions of the Agricultural Adjustment Administration.



SALISBURY:

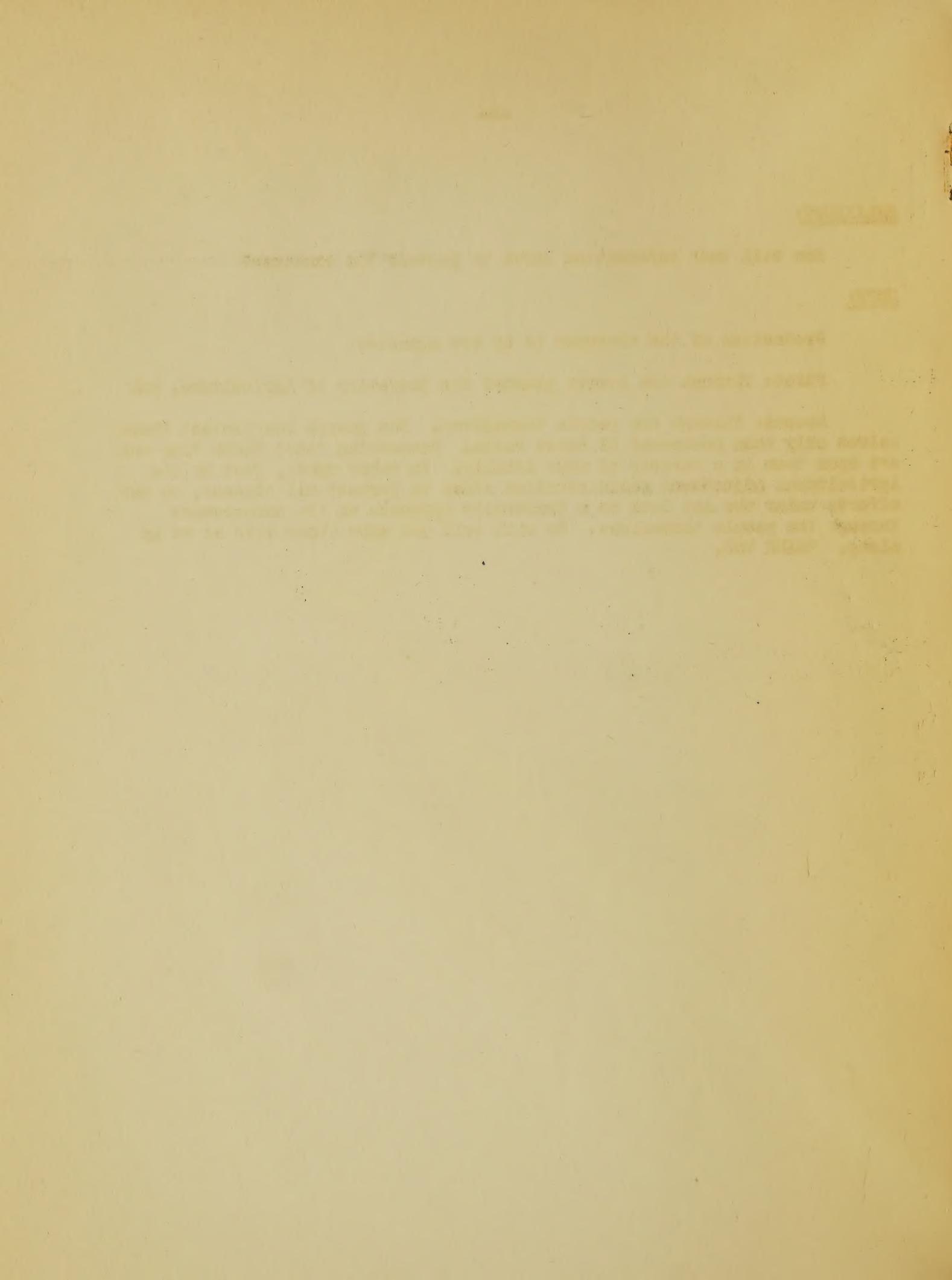
How will such information serve to protect the consumer?

HOWE:

Protection of the consumer is by two agencies:

First: Through the powers granted the Secretary of Agriculture, and

Second: Through the people themselves. The people can protect themselves only when possessed of exact facts. Possessing these facts they can act upon them in a variety of ways locally. In other words, just as the Agricultural Adjustment Administration aimed to protect all classes, so our efforts under the Act look to a democratic approach to its enforcement through the people themselves. We will tell you more about this as we go along. THANK YOU.



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THE CONSUMER'S ROLE IN NATIONAL RECOVERY

4:00 - 4:15 p. m., Eastern Standard Time, Blue Network and supplementary stations of NBC, Thursday, July 20, 1933.

NBC ANNOUNCER:

The National Broadcasting Company takes pleasure in presenting this afternoon the first of a series of weekly programs over a coast-to-coast network in cooperation with the General Federation of Women's Clubs.

The aim of these programs is to let consumers know what really is being done in Washington; what the President and his helpers are doing to keep his pledge to protect consumers, and to point out to the vast army of women homemakers what they can do to speed the progress of economic recovery by cooperating with the efforts of Government and business and agriculture.

In the opening program of this series, Mrs. Grace Morrison Poole, President of the General Federation of Women's Clubs will explain the purpose of the Federation in conducting the broadcasts, and will interview the Consumer's Counsel of the Agricultural Adjustment Administration, Dr. Frederic C. Howe, on the plans of his office for protecting consumers and advancing the program of agricultural recovery.

Mrs. Poole, representing over 2,000,000 organized women, has brought to the Presidency of General Federation of Women's Clubs twenty years of service to the Women's Club movement: As State President, recording secretary, and Vice President of the General Federation, she is familiar with every phase of club life. She has traveled very extensively, studied world affairs and interpreted these through her lectures to the women of many states.

(over)

We take pleasure in presenting to you now, Mrs. Poole.

MRS. POOLE:

Good afternoon, radio listeners. I bring special greetings to the members of women's clubs affiliated with the General Federation.

The General Federation of Women's Clubs is the largest organized body of homemakers in this country, perhaps in the world. Homemakers in these United States buy 85% of the consumers' goods. We homemakers are certainly of importance in the scheme of things. We realize this. What are we trying to do with put great purchasing power?

The last few years the General Federation has been stressing standards. What are these standards? They relate to quality of consumers' goods. They relate also to price.

We are now taking up a new approach. We are cooperating in the national, comprehensive program of economic recovery.

We are very fortunate indeed to have the splendid cooperation of the National Broadcasting Company and its associated stations who have placed at our disposal this weekly hour so that members of affiliated clubs and the general public may be kept informed of actions of Government that affect consumers. Here and now, I wish to thank the broadcasters for their generous help.

The government agencies also have been most cooperative. They have agreed to send their officers to answer our questions and keep us up to the minute on events. On this first broadcast we shall have from Dr. Frederic C. Howe, Consumers' Counsel of the Department of Agriculture, a brief discussion of the basic principles that are guiding the Agricultural Adjustment Administration in performing that part of its task that touches consumer interests. I shall ask him as we go along some of the questions that I think are in the minds of all of us.

Dr. Howe has been in public life for 20 years, first working with Tom L. Johnson in Cleveland, and later as Commissioner of Immigration at the Port of New York. In this place he brought his imaginative sympathy to bear on the kind of welcome the United States should give to the immigrant, the future citizen. He has studied farm conditions in Denmark and Germany. During the war he represented the northwestern farmers in connection with the Wheat Administration and has written two books on this general subject. One is "Denmark, a Cooperative Commonwealth Ruled by Farmers," and another book on America entitled "The High Cost of Living."

As Consumers' Counsel of the Agricultural Adjustment Administration, he is consumers' watchdog sitting in the councils of the Agricultural Adjustment Administration.

As we go along, I believe you will understand the methods that Dr. Howe will use to work in behalf of us consumers. Now, Dr. Howe, we should very much appreciate having from you a general outline of the plans of the Agricultural Adjustment Administration and their probable effects upon the interests of consumers.

DR. HOWE:

I shall be glad to give this outline, Mrs. Poole. I want to tell you how I am going to work for you and you with me, representing the interests of consumers. The creation of the office of Consumers' Council is the first definite designation of an officer whose major concern is the welfare of the consumer.

Historically as a government we have thought of the producer, of the manufacturer, and of the business classes. We have assumed that if we took care of them, they would take care of everybody else.

Now the theory that you save the manufacturer and the business man and you save all, has collapsed.

First, it left the farmer helpless;

Second, it left the consumer helpless;

Third, it emptied our factories of workers.

A national program for recovery has been determined upon. I think we can compare the program to a blood transfusion. Gangrene has set in in various members of the body economic because their purchasing power - their economic life blood - has dried up. The government, in cooperation with its citizens, is going to pump in new purchasing power. It does this in four ways:

First, the Agricultural Adjustment Act aims to provide new purchasing power to the farmer.

Second, the National Industrial Recovery Act creates new purchasing power for workers by new codes for industry and public works financed by the government.

Third, the farm and home mortgage refinancing program reduces the burden of interest and so increases the purchasing power of mortgagors.

Fourth, the provision for currency reform reestablishes the price level and in so doing eases debt burdens.

We have started prices upward. But to keep purchasing power ahead of prices we must have effective check or control over profiteering. Therefore, the Agricultural Adjustment Administration has created a new office which recognizes that the consumer, the vast army of the buying public, must have some direct connection with the government. Now in this whole program we have introduced a new element in the government. You see the necessity for the Consumers' Counsel.

MRS. POOLE: Yes, we consumers realize very well indeed where we fit into the picture and into the whole scheme. We must all have buying power - more buying power. The entire buying program must be understood as a unit. Every class must be subordinate to the whole. No individual can play the game alone. We must all play together.

DR. HOWE: Exactly. If retail prices increase faster - or even as fast - as wages and farm income increase, there will not be any gain in buying power.

MRS. POOLE: Dr. Howe, we realize that your office is just beginning, that it is just in its nursery stages; we hope it will grow, and I understand that, as you grow, you will keep us advised of what you are doing, and what we can do.

DR. HOWE: Exactly. This is a fine cooperative set-up; it is democratic, it puts the responsibility where it belongs; it is our job to furnish the facts, and it is partly your job, at least, to use those facts for your own protection and for our use for the protection of others.

MRS. POOLE: Now, Dr. Howe, will you explain to us why the government believes it has any right to ask the consumer to make any contribution to readjusting agriculture?

DR. HOWE: That is very easily explained. Farmers feed us. They have fed us at prices that have meant disaster to them for twelve long years now. They can't keep it up any longer. Many have abandoned the farms. Hundreds of thousands of farms have been in danger of foreclosure. The farmers have carried on through depression years, and have served all of us in so doing. It's only justice now to enable them to regain buying power once more. And it's also common sense. As they regain buying power they will buy and speed up industry. That means more income for consumers in the cities.

MRS. POOLE: But you are not asking the consumer to pay more than a fair share of the expense of compensating farmers while they are making the necessary readjustments to preserve farm life at an American standard.

DR. HOWE: Not at all. That is where have a new idea in Government. The Agricultural Adjustment Act specifically directs the Secretary of Agriculture to see to it

that for any crop, on which benefit payments are made or marketing agreements are executed, consumers are not harmed while farmers are helped. In providing for processing taxes, the law directs the Secretary to aid in preventing pyramiding of the taxes and profiteering in the retail prices of goods affected by the taxes. Secretary Wallace has said that the Department will make available full information as to the proper costs as to such commodities which may be passed on to consumers. Administrator Peek has stated that he intends to make full use of legal power to protest the consumer granted by the Act.

MRS. POOLE: But this does not mean that there should be no price increases in goods affected by the taxes.

DR. HOWE: By no means. You must expect price increases. Our program is directed against those who refuse to cooperate; only against the mavericks in the business herd. Business men are entitled to a fair profit. That is the only way they can stay in business. They are not entitled at this time, of all times, to an extortionate profit. My job as Consumers' Counsel in the Agricultural Adjustment Administration is to provide consumers with information which will help them judge whether price increases are reasonable. I shall get out the facts, obtained by careful research, on the increased cost of raw materials due to the imposition of processing taxes. On the basis of these facts, and other facts under the recovery codes, consumers will then be able to judge whether the item of profit added is so large as to impede the progress of recovery. For the present, the functions of the Department in this connection are being devoted to assistance in preventing exorbitant increase in prices of bread, because these are affected by the processing tax on wheat. A tax is to be levied on cotton August 1, and the Department has already started studies to disclose the relationship of this tax to textile prices.

MRS. POOLE: Can you describe to us just how the consumer can protect himself from exorbitant prices? The housewives of the country can cooperate with you, Dr. Howe, in the task of protecting their pocketbooks.

DR. HOWE: My first plea is that when as in the case of cotton and wheat, processing taxes are involved, they watch carefully the price of things they buy.

Remember, we are dealing with facts/<sup>with</sup> this question of fair prices and not with vague impressions. I suppose not many housewives have the habit of keeping records. But as to bread and cotton cloth at least they might try it for awhile.

Hang a little pad of paper in the kitchen and write down on your return from market the price you paid each day for some of the staples. Check these each week.

Second, if you find any of these articles rising in prices rapidly or at too great leaps, ask your grocer or supplier if he can explain these advances.

Third, watch your papers for releases from your Consumers' Counsel giving general facts about increases in costs for these articles and compare the figures reported in these news stories with the increased prices you are paying.

Remember this: we are striving for a new balance in our national life. The Adjustment Administration is out to help honest merchandizing, not to hamper it. The merchant is entitled to a square deal just as much as any other citizen. In all groups there is a majority desire for fairness. That desire, I think, will prevail over the stubborn minority of men whose greed might lead them to again wreck themselves and their fellow business men and consumers and farmers - any one who dares stand in the way of their drive for profits.

Out of our common misery, we shall come, I hope, to a new America - made over in the light of modern knowledge, with a just distribution of goods and wealth.

MRS. POOLE: All of us share your hope and your determination, Dr. Howe. We shall have to leave the microphone now. Before we leave, may I announce to our listeners that at this same hour next Thursday, Dr. Howe will return to be interviewed by Miss Jaffray.

NBC. ANNOUNCER: We have heard today the first in a series of weekly reports of the happenings in the program of national recovery which will touch the interests of consumers. Government agencies are cooperating, in presenting this series with the General Federation of Women's Clubs, which has arranged the program. Today's program brought you the voices of Mrs. Grace Morrison Poole, president of the Federation, and Dr. Frederic C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration. It was broadcast from Washington, D. C. This is the National Broadcasting Company.

WATCH YOUR PRICES.

A radio interview between Miss Julia K. Jaffray, chairman, public welfare division, General Federation of Women's Clubs, and Dr. Frederic C. Howe, Consumers' Counsel, Agricultural Adjustment Administration, broadcast over a National Broadcasting Company network Thursday afternoon, July 27th.

MISS JAFFRAY: Dr. Howe, we have been amazed at the stirring response we have received from all over the country to the talk our President, Mrs. Poole, had with you last week. From far away towns and nearby cities letters have poured in on us. Some of them came from troubled housewives, some from school teachers who are concerned for the health of the children in their schools, others came from mothers and fathers who are concerned, too, for their young ones. They all want to know more about bread. They want to know why this one thing on which they depend more than anything else to keep life going is costing them more money to buy. There was that cattleman way out in Texas who writes such a bold fine hand. He happened to have gone to market last Thursday and having a few moments to spare listened in to hear Mrs. Poole and you tell what the Government is trying to do to safeguard the consumer. He wants to hear more. There was a mother who apologized because she didn't have fine paper to write us on but she told a touching tale of her struggles and begged us, please, please don't make me pay more for bread.

Dr. Howe, I am sure you will be touched to the quick as we have been by these appeals for help, you who have spent so many years studying their problems, and doing what you could to build a happier, richer life for us everyday people. I am going to put to you some of the direct questions these splendid people have put to us, so that we can see our way through the strain and confusion of the days ahead.

There is no bitterness, no fault finding, no recriminations in the messages we have received. I am sure they come from loyal citizens who are ready to do their part in the recovery of the country. But they want to understand just what part they are to play; they want to know why they are asked to share; they want to know how it is going to help.

Bread is uppermost in their minds. Here is a food that they must have every day. In a very real sense it is their staff of life. They go down to their grocers and find they must pay one, two, three, even four cents more for the loaf. Not every grocer can explain to them, when they ask why this increase. So they write to us, and no doubt to you -- tell us the answer.



I know this is a big question, so let's take it apart. We would like to know first of all, are bread prices higher these days because flour is more expensive?

DR. HOWE: Yes, Miss Jaffray, that's one large reason why most of us are having to pay our grocers more for the loaf we buy each day. Flour is more expensive than it was months ago. Our economists have figured out that the amount of flour in the average white loaf weighing a pound cost 1.19 cents last February. Last week, it cost 2.58.

MISS JAFFRAY: What made it more costly, Dr. Howe?

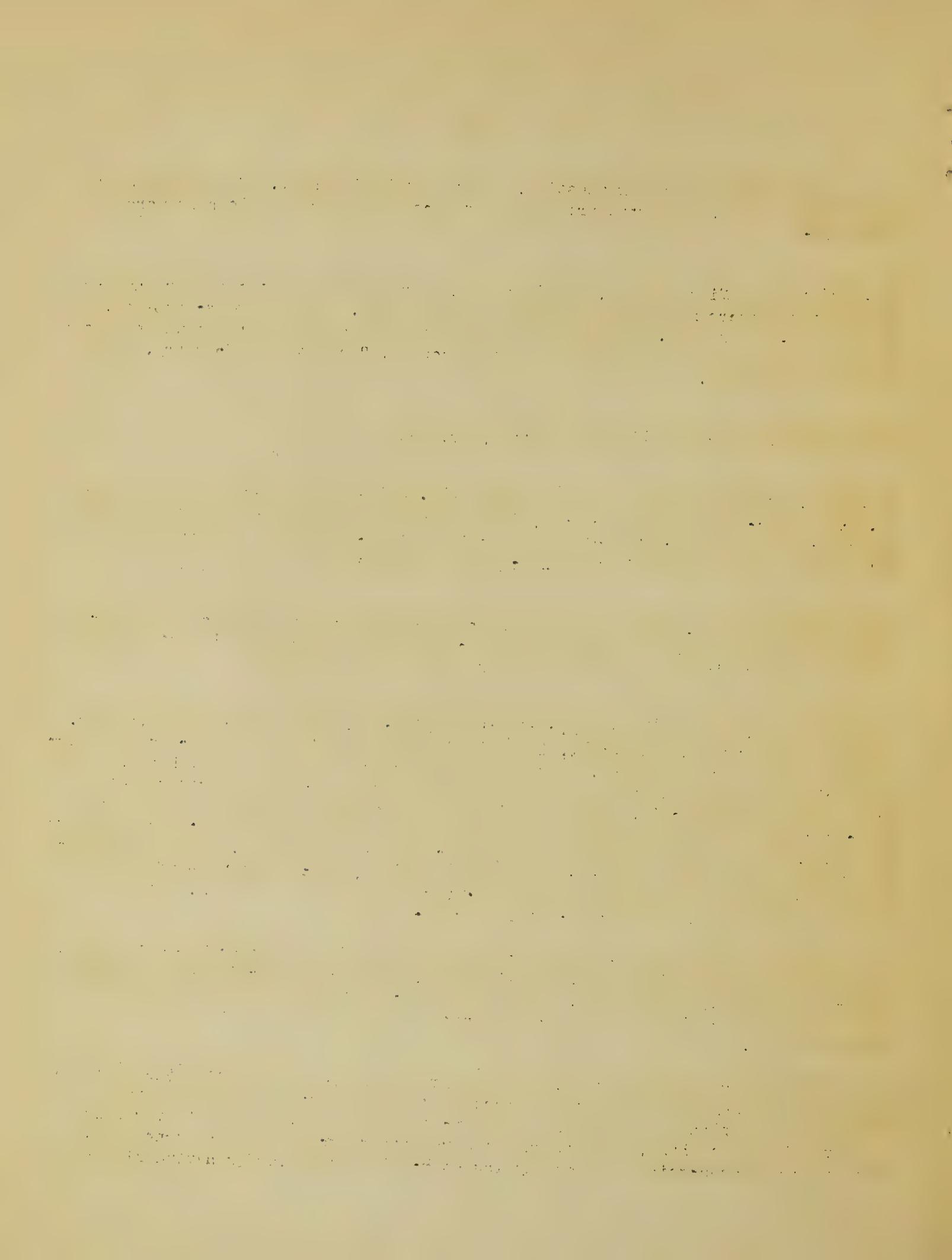
DR. HOWE: Several things. One was a great reduction in the crop of wheat which is going to be harvested this year, due to unfavorable weather conditions. Last year the farmers raised 726 million bushels; this year they are expecting only 496 million bushels or 230 million less than last year.

MISS JAFFRAY: But I thought we have warehouses crammed full of wheat left over from years before. If that is so, can the smallness of this year's crop make all that difference in the cost of the flour in our loaves of bread?

DR. HOWE: No, it doesn't explain all the difference. But it does explain some. And while you are on that point, let me tell you what that difference in the price of wheat means to the farmer. For years the farmers of this country have been producing wheat for our bread and not receiving from us enough to cover what it costs them to produce it. They have in effect been giving charity to us. They have struggled on hoping against hope that somehow things would take a better turn for them, and all the while their debts piled higher and higher. And now because the weather has reduced a large part of their crops, some of them -- not all of them by any means -- are going to get a better price for their labor. We can hardly begrudge them this belated turn for the better.

But even before they knew that the weather was going to help some of them, the Government stepped in and said --- See here, we have been letting wheat prices slide up and down, up and down. Let's see if we can't control them better. Let's see if we can't save the farmers from this hard payless labor they are performing for us.

And so the Agricultural Adjustment Act was passed. The Act was designed to put more money into the farmers' pockets by several means. If the farmer would agree to plant less wheat, so that we could use up these great storehouses we have already on hand, the Government agrees to compensate him by money collected from a processing tax for any losses he might sustain for having planted



less wheat. Another of the means to give him more money was the permission given by this Act to producers and distributors to draw up marketing agreements so that they could control the conditions of their business.

MISS JAFFRAY: While the Government gave this splendid help to the farmers, did it stop to think who would have to pay the bill, Dr. Howe?

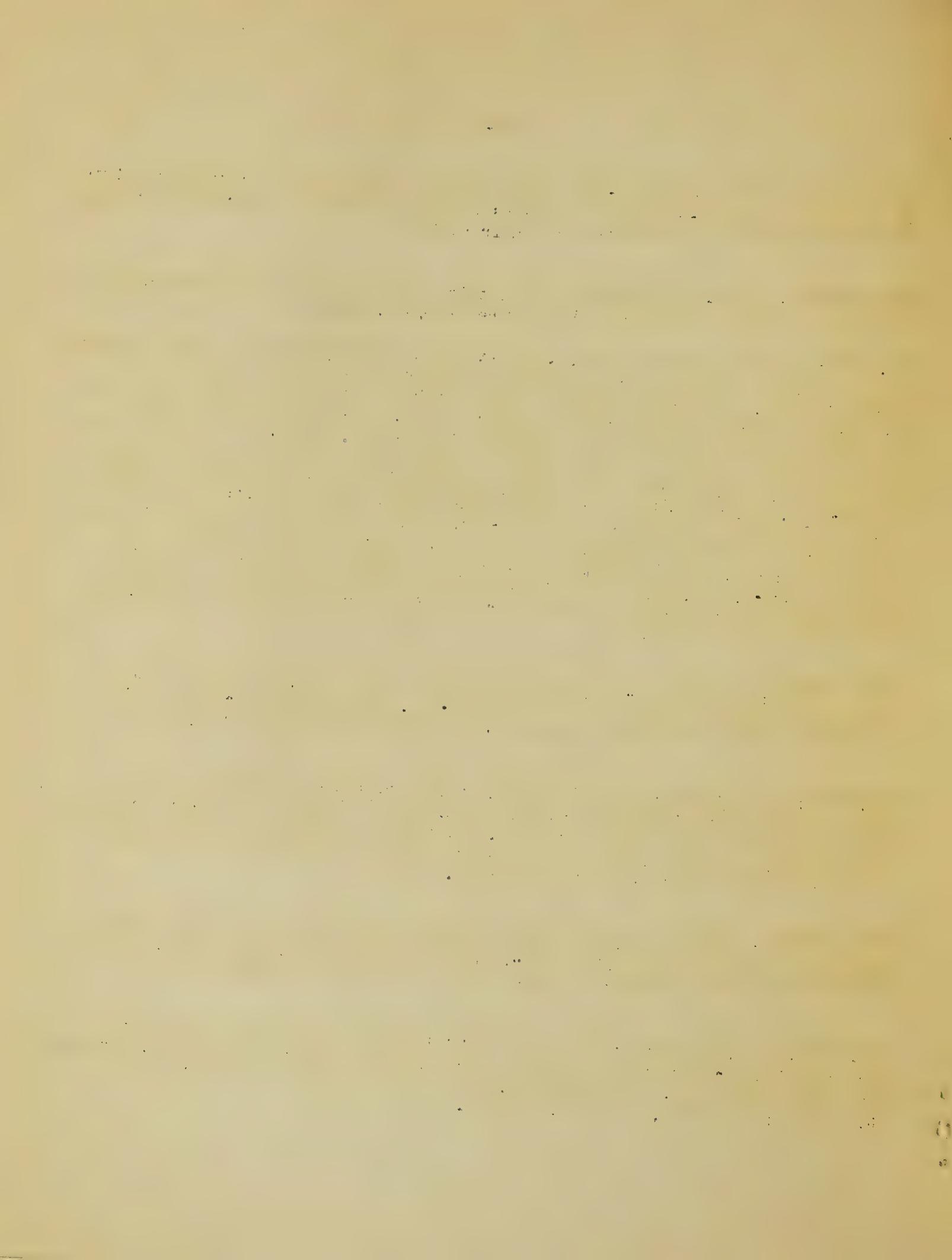
DR. HOWE: It most certainly did. The Government realized that all these measures would inevitably result in some increases consumers would have to pay for the farmers' goods. To protect consumers, the Government provided in the Agricultural Act that this price raising should go just so far. It fixed an upper limit on the help that it would give to the farmers for the time being. It also provided for a Consumers' Counsel to keep a watch on the things consumers buy whose raw materials were being taxed to see that no unfair profits were taken by unscrupulous people. Furthermore, it created another great administration which would work with industry and labor to put more money into the pockets of the people who have to buy the farmers' goods. Side by side, these two great experiments are being worked out. Other experiments - in public works, in credit, in finance - are being tried, too, all of them attempting to do the same thing in different ways - and that is to pull the country out of the slough of despond and poverty into which it had fallen.

MISS JAFFRAY: But what we consumers would like to know is, how much are we helping the farmer, I mean in dollars and cents. How much are we putting into his pockets every time we buy a pound loaf of white bread, let us say.

DR. HOWE: Last February when you bought a loaf of bread you put only about  $\frac{1}{2}$  cent into the farmer's pocket; on July 15th, when you bought a loaf, you gave the farmer around a cent and a quarter. Every day your pay to the farmer changes with the price of wheat. But you can be sure that you have more than doubled the farmer's pay -- at least for his wheat.

MISS JAFFRAY: Flour is only one thing that goes into this bread that we are paying more for these days, Dr. Howe. How about the yeast, lard, salt, and other ingredients? What's happened to them? Have they gone up in price, too?

DR. HOWE: Yes, they have; they have shared in the general upward movement of prices which the farmer and the workers are getting in this new program. But they have risen much less. Last February, their cost per pound loaf of bread was 0.65 cents; last week, it was 0.77 cents.



MISS JAFFRAY: That makes a total cost for flour and other ingredients of a loaf of bread of -- let me see -- 1.84 cents last February and 3.35 cents on July 22-- an increase of about 1-1/2 cents per pound loaf.

DR. HOWE: Exactly.

MISS JAFFRAY: Now tell us, Dr. Howe, how much of the price we pay our grocers for a loaf of bread goes to pay for all the other expenses of making it? What's the baker's profit? How much does the grocer make?

DR. HOWE: I wish I could give you a neat, pat answer to that question, Miss Jaffray, which I am sure is one many, many consumers would like answered. You see, the difficulty lies in the fact that there is no such thing as a cost of production for an industry. Costs vary with each company, sometimes with each plant. All I can give you is a sample picture but it would be a mistake to think that it represents the way the money is spent for bread in all parts of the country.

MISS JAFFRAY: I realize that, but we would like to have some idea, even if it is only a sample picture, as you say. The reason we would like to have it is that many housewives are wondering these days with the price of baker's bread on the rise whether they had not better get out the old recipe book and start making their own bread again. We would like to know how much of the money we spend for a baker's loaf goes to pay for the food that's in it and how much goes to pay for all the services the baker offers us.

DR. HOWE: Costs, as I say, vary widely, but suppose I tell you what they were figured out to be in 8 Wisconsin cities, in 1930 when flour was selling for from \$4 to \$6 a barrel. The Wisconsin Department of Agriculture and Markets gathered from 14 wholesale bakeries and 222 retail grocers in those cities. Instead of giving you the percentages they worked which are hard to remember, suppose I translate it into slices of bread. Not so precise a way to explain this, but a lot easier to understand.

Just imagine we had in front of us one of those sliced loaves of bread which you can get at almost any shop these days. This imaginary loaf has 20 slices. Of those 20 slices, 7 represent what the Wisconsin housewives paid for the wheat, yeast, lard, salt and any other ingredients that were put into the loaf. Another 5 slices cover the cost of making the bread in the bakery. This includes wages paid to the workers and other manufacturing and overhead costs. These 12 slices in all stand for the cost of the bread up to the delivery wagon that took the bread to the grocer or to the housewife's door.

MISS JAFFRAY: What do the other 8 slices represent, Dr. Howe?



DR. HOWE: Four of the remaining 8 stand for what it cost the baker to advertise his bread, to sell it, and deliver it to the retailer from whom it was bought. A half a slice represents the baker's profit. Three and a half slices cover the retailer's margin, that was the grocer's selling costs and profit.

MISS JAFFRAY: Now let me see if I can say it in another way. I am going to suppose that the housewife in those Wisconsin cities was paying 8 cents for a pound loaf of bread. At that rate, just under 3 cents of her eight went to pay for flour and other ingredients; another two cents went for labor, manufacturing, and overhead expenses. The three and a fraction cents left over covered advertising, selling, delivering, and profits to the baker and grocer.

DR. HOWE: Exactly.

MISS JAFFRAY: The point I am getting at in asking you these cost figures, Dr. Howe, is that they help consumers to decide what is a fair price for bread. We can't feel resentful of price increases so long as they know who is getting the benefit of them.

DR. HOWE: I am sure that is true. I want to repeat, though, that such cost figures as I have given you are not to be taken as typical of the baking industry as a whole, nor are they necessarily typical of one part of the baking industry over a period of time. There is a constant shifting of costs and a constant shifting of their relation to each other.

MISS JAFFRAY: Is it not possible then for you to give us some idea of what is now a fair price to pay for a loaf of bread?

DR. HOWE: I suppose you would like me to give you some figure consumers could quote to their grocers, but I can't do that. A fair price is a very hard thing to define and to fix it we would have to have many more facts. I can say this: If housewives count the services rendered and the labor saved them by the bakeries more valuable than the time it would take them to make bread at home, they should be willing to grant the bakeries and the shops that sell their wares an adequate reward for their work. High profits, however, are not justifiable in an industry such as this which is relatively stable and is furnishing the community one of its basic needs.

MISS JAFFRAY: If you cannot give us a figure representing a fair price, can you tell us what would be a fair increase in prices now?



DR. HOWE: I can give you one index now - the increase in the cost of bread ingredients. Perhaps later I can give you another index in the increased wages paid to workers in this industry as a result of the President's call upon all industry to raise wages and employ a greater number of workers. The cost of ingredients in a pound loaf of bread was approximately 1-1/2 cents higher on July 22 than last February. If the baker cannot absorb this in the more efficient management of his plant or by increasing his output, then this increase over February prices might reasonably be passed on.

MISS JAFFRAY: Have the bakers themselves given us any assurance that they will not take advantage of the situation and profiteer on us consumers?

DR. HOWE: Bakers trade associations have assured us that they are solidly behind the Administration's campaign to help the farmer and the workers. They have agreed to play the game with the consumers. But of course, they need help in holding all bakers to this splendid policy. They need your help as well as ours.

MISS JAFFRAY: How can we consumers help you, Dr. Howe?

DR. HOWE: Watch prices carefully. Check increased prices against the figures that we give out to the newspapers on advances in the cost of flour and bread ingredients. If there is a big difference between the two, find out if you can from your local bakeries why there is such a difference. Find out if they are paying better wages to their workers. Find out if your retailer has increased his wages, too.

There is one thing I want to caution consumers about. Be absolutely accurate and fair in any charges you make of unfair prices. Be sure of your facts. Our first job is to study each situation carefully for we can be effective campaigners for fair prices and fair dealing only if we are armed with as exact information as can be obtained. I have received letters from consumers protesting price advances but they give me no information on the size of the loaf they are talking about. There's one point to be careful about. Bakers are changing the weight of their loaves as well as their prices. If the bread is packaged and sold from one state to another, it must show on its wrapping how much it weighs. If it is local bread, the State laws may require that marking, too. In any case, any customer can ask the grocer or whoever sells the bread to weigh it so you can tell how much you are getting.

MISS JAFFRAY: Our time is getting short, Dr. Howe, so I cannot ask you any more questions this time. But I want to speak now to the thousands of consumers throughout the country who belong to our Federation and to the many others who are concerned about bread. As Dr. Howe has said, the job of protecting our-



selves from unfair prices rests with us as much as it does with our Consumers' Counsel or any Government administration. I would make it even stronger than that. I believe it is much more our responsibility to see that our neighborhood bakery or even the big fellows in the industry charge us only a fair amount than it is yours, Mr. Consumers' Counsel. No Government official can get into every village or city to protect your interests. He can tell us what are the facts in this case, as Dr. Howe has this afternoon. He can show us how to tackle a local problem, but we have to do the tackling. I found out years ago in my legislative work that Abraham Lincoln was right when he said that laws are not made in Washington: they are made back home. Just so, fair practice and fair dealing with the consumer cannot be protected entirely from Washington. It must be protected back home. You're there. Now get to work.

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PIGS AND OTHER THINGS

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U. S. GOVERNMENT

A radio interview between Dr. Fred C. Howe, Consumers' Counsel, Agricultural Adjustment Administration and Miss Julia K. Jaffray, General Federation of Women's Clubs, broadcast Thursday, August 31st, by the N.B.C. and a network of associated radio stations.

ANNOUNCER:

The National Broadcasting Company and associated stations take pleasure in presenting today the fifth of a series of weekly broadcasts arranged by the General Federation of Women's Clubs. This series aims to keep consumers informed of their part in the far-reaching program of national recovery, and to discuss their special problems. This afternoon, Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the Federation, returns to the microphone with Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration to talk about pigs, and flour, and cotton, and other things. Miss Jaffray:

MISS JAFFRAY:

Here are a lot of letters, Dr. Howe, which have come to me asking all sorts of questions about pigs and bread and cotton and flour and -- oh, dozens of things. Many of these questions are the kind that nearly all consumers are asking, I am sure. Perhaps you'll answer some of the typical ones.

DR. HOWE:

Good! I'd like to hear them and I'll do my best to answer them. What's the first question, Miss Jaffray?

MISS JAFFRAY:

Well, suppose I start with this one from Mrs. B. of Philadelphia. She's been reading in the paper that the Secretary of Agriculture is going to buy millions of pigs and she wants to know what he's going to do with them. That . . . my curiosity, too, Dr. Howe. What is the government going to do with these pigs?

DR. HOWE:

The government is going to buy these pigs -- five million of them, big and little -- to have them dressed and cured and prepared for eating, and then is going to sell the meat for just what it costs to prepare and ship it to the National Emergency Relief Administration which, in turn, will distribute it among the needy people of the country through state relief agencies, who will get this without cost.

MISS JAFFRAY:

That sounds like a grand idea. Will it mean that the people getting help from the relief agencies will get more pork this winter?

DR. HOWE:

That's the plan. The local agencies have agreed to buy just as much meat this year as in the past. But, in addition, they will have extra supplies from this big purchase that will be made by the national government.



MISS JAFFRAY:

That's fine for workers' relief. But is that plan expected to help the farmer, Dr. Howe?

DR. HOWE:

Yes, it will help the farmer. That is its main purpose. Let me tell you how it will work. Farmers have been getting very low prices for hogs, because for one reason there have been such enormous supplies on the market, and people haven't been able to pay so much per pound for meats in these depression years.

We used to sell a lot of pork and lard abroad, but people in other countries have been growing more pigs and some countries have put up tariffs or laid down quotas which have kept out our meat and lard. There are not only large supplies now on the market, but in the fall the farmers are expected to bring still more to market, because the small corn crop has sent feed prices up.

To keep prices from sliding way downhill, the hog growers asked for this emergency plan, and the government agreed to put it into effect. It said to the farmers: you bring these five million pigs to market. We will pay you premium prices for them. The packing houses will prepare the meat and charge just what it costs them. Then the food will be ready for the relief agencies to distribute to needy families.

MISS JAFFRAY:

I suppose the idea is that farmers will get better prices for the rest of their pigs since the government purchases will take part of the heavy supplies off the market.

DR. HOWE:

Exactly. The leaders of the hog growing farmers figure that prices paid for the rest will be from 25 to 40 percent better than they would have been if the plan had not been tried.

MISS JAFFRAY:

How is that big meat bill for 5 million pigs going to be paid for, Dr. Howe?

DR. HOWE:

It is going to be paid for by putting a processing tax on the hogs that are not bought by the government.

MISS JAFFRAY:

How much will that tax be?

DR. HOWE:

It's not fixed yet, but may be around a half-cent on each pound of live hog.



MISS JAFFRAY:

These purchases by the government may help the farmer this year. What about next year? Won't the farmers begin raising more and more pigs for market and get in just the same fix they are in now?

DR. HOWE:

They won't be nearly as badly off if the farmers will cooperate by not growing so much corn. Here's the interesting fact about pig raising. The more corn grown, the cheaper it is to raise pigs. And the cheaper it is to raise pigs, the larger the number brought to market. That shoots the price way down.

So the government is going to work out with the farmers a plan for controlling corn acreage which will help to control the number of pigs raised.

MISS JAFFRAY:

I think we've answered the question from Mrs. B. Now let me see what's next .... Here is a letter from Mrs. W. of Washington. Mrs. W. says she went to her grocer's the other day to buy a bag of flour. Her grocer brought out a 98-pound bag, the size she always buys, and told her the price is now \$3.75. Last April, she writes, she paid \$1.98 for the same amount of flour -- not much more than half what she has to pay now. She wants to know if her grocer isn't charging her too much. What can I tell her, Dr. Howe?

DR. HOWE:

Let's see. Last April Mrs. W. paid \$1.98 for a 98-pound bag of flour. White flour, I suppose?

MISS JAFFRAY:

Yes, she says it was white flour.

DR. HOWE:

Well, then, let's do some simple arithmetic. If Mrs. W. paid \$1.98 for a 98-pound bag of flour last April, she got it for about 2 cents a pound. The Department of Agriculture tells us that the average price of flour last April was a tin, bit over 3 cents a pound. So Mrs. W. was getting hers for a cent less per pound than the average price.

MISS JAFFRAY:

What about the price she had to pay just the other day, Dr. Howe, when the grocer charged her \$3.75 for the same size bag?

DR. HOWE:

As I figure it out, the price she paid the other day was just about  $3\frac{1}{2}$  cents a pound. But the average price, the Department reports show, was 4.8 cents a pound. So her grocer hasn't overcharged her.



MISS JAFFRAY:

That's a big jump in price, though, Dr. Howe. From 2 to  $3\frac{1}{2}$  cents for a pound of flour.

DR. HOWE:

It is a big jump, but it means a lot of wheat farmers are going to be better off this winter than last. Because flour prices have gone up, wheat farmers who had a crop this year are getting better money for their wheat. And every time we buy some flour we are helping the farmers to earn more, too, by paying a processing tax on wheat. You remember when we talked about bread, we spoke of this processing tax. There are millions of farmers who have to earn their living from the wheat they sell. It's been a miserably poor living for two years. If we help them get more, they'll be able to buy more city goods. That will help city workers get better wages.

MISS JAFFRAY:

Those were interesting flour prices you just gave us, Dr. Howe. Are you going to report them so we can check our prices in other cities with them?

DR. HOWE:

Yes, flour is one of the foods we are reporting in our "Consumers' Guide" to retail prices. The first Consumer's Guide will be issued in a few days now. There will be a lot of interesting facts on food prices in this report. Watch your newspapers for it.

MISS JAFFRAY:

We shall certainly be on the look-out for the "Consumers' Guide", Dr. Howe. It will answer a lot of our questions about our local prices.

Now let me ask you another question. This time from Miss T. of Ohio. It's about flour, too. Miss T's grocer tells her that the processing tax on flour is 30 cents on a 24-pound bag. Is that right?

DR. HOWE:

No, her grocer is mistaken about that. The tax is placed on wheat, not flour. Thirty cents, on a bushel of wheat.

MISS JAFFRAY:

How many pounds of flour do we get from a bushel of wheat, Dr. Howe?

DR. HOWE:

A little over  $42\frac{1}{2}$  pounds are milled from a bushel. That makes the tax on a pound of flour come to seven-tenths of a cent. On a 24-pound bag, the tax would be about 17 cents. This is important to remember; the wheat processing tax is charged at the place the flour is milled. If the miller passes the tax on to the retailers, he should not pass on more than seven-tenths of a cent per pound of flour. If he charges up more than that for the tax, he is not acting fairly; the Administration wants to know about such cases, if any exist.



MISS JAFFRAY:

Dr. Howe, last week you explained the cotton program to us and told us of a processing tax placed on cotton to cover the benefit payments made to farmers who ploughed under some of their cotton. Next day we read in the papers that the Secretary of Agriculture is going to hold a hearing on this tax. What's this hearing for? Several consumers have written me about this.

DR. HOWE:

Some of the Southern cotton mill operators have been complaining to the Secretary about this tax. Cotton mills generally speeded up production greatly in June and July -- many of them working all night long -- when workers were getting less pay than they get now under the new cotton textile code. Now they find their orders aren't coming in so rapidly. These Southern cotton mill operators claim that the processing tax is adding so much to the price consumers must pay for cotton goods that they aren't buying as much as they should to keep their mills going.

MISS JAFFRAY:

But did you not tell us last week, Dr. Howe, that the tax was adding only a small amount to the price we pay for cotton goods?

DR. HOWE:

That is true. We figured that the amount of the tax on sheets, costing \$1.13 is not quite 8 cents; on work shirts, priced at 78 cents, only  $3\frac{1}{2}$  cents; on overalls, selling for \$1.26, only about  $8\frac{1}{4}$  cents.

MISS JAFFRAY:

This is a serious matter to the cotton farmers, is it not Dr. Howe, so many of whom have been getting a mere pittance for their labor?

DR. HOWE:

Yes, it is. The government has been trying to help them get a decent living by getting better prices for their cotton by the cotton program we described last week. That is the sole reason for the tax.

MISS JAFFRAY:

Dr. Howe, quite a number of these letters from consumers ask what is the difference between an NRA code and an AAA agreement. That's a question I'd like to have answered, too. We've been reading about the coal code, the steel code, and other industry codes. They come from the NRA. Then there are milk agreements, canners agreements, and so on. They come from the AAA. Can you tell us the difference between them?

DR. HOWE:

First of all, let me tell you how they are alike. Both the industry codes and the agricultural agreements are the result of the government's invitation to business in this country to join together to put some order and fair practice in their affairs; to lay down the rules of the game, as it were, so that everybody will have a better chance to win, so that there will be less waste and confusion. Furthermore, both of them are building up the



purchasing power of the workers.

The only essential difference between them is that the industry codes are putting a bottom to the pay given workers in industry; Agricultural agreements are putting a bottom to the pay given to farmers.

MISS JAFFRAY:

And this greater purchasing power will speed up the wheels of business, will it not, Dr. Howe, so that all of us -- earning more for our work -- will be able to buy more for our comfort and happiness?

DR. HOWE:

Exactly. Don't let's lose sight of that goal. What we are after is a shared prosperity. It can't be a one-sided affair. Farmers and workers all must prosper. Just as industry must put its house in order before we can plan for genuine assured prosperity, so must agriculture. By agriculture, I mean the people who deal in foods and crops, all the way from the fields to our homes -- the growers, the processors, the carriers and retailers. And just as industry must act together to raise the purchasing power of city workers, so all these other groups that supply us with foods and fabrics must act together to ensure a better income for country workers, for the 32 million people who are living on the farms today, the greatest number in the history of our country.

MISS JAFFRAY:

Isn't that what's being done under the wheat adjustment plan, the cotton adjustment plan, and this corn and hog plan you've been telling us about, Dr. Howe?

DR. HOWE:

Yes, that is the purpose of these plans. They are in a sense producing agreements between the government and the farmers. They are being tried out on basic crops, those of which we have great surplus supplies.

MISS JAFFRAY:

What other kinds of marketing agreements for agriculture are there, Dr. Howe?

DR. HOWE:

Other marketing agreements are being drawn up to cover almost every kind of food -- sugar, rice, milk, fruits, and so on.

MISS JAFFRAY:

Who are these agreements between, Dr. Howe?

DR. HOWE:

Always they are agreements with the government, represented by the Secretary of Agriculture. The other party to the agreement may be the producers, or the processors, or the distributors. Sometimes two or more of these groups join in signing an agreement.



MISS JAFFRAY:

Sometime soon, Dr. Howe, I hope you will tell us the story of how these agreements are drawn up. We'd like to see the men at work on them. We'd like to know what you, as our Consumers' Counsel, do in helping to work out these agreements.

DR. HOWE:

I should like to tell that story, Miss Jaffray. It is a pioneering tale, as thrilling as the tales we have read of our grandfathers and great grandfathers working their way through the wilderness of a strange and unvisited country, transforming it into fruitful fields and pleasant gardens. These men today are engaged on as great a task, the task of bringing order and peace and plenty out of a wilderness of individual interests and an uncontrolled scramble for a living. They may not succeed entirely. But they are making a mighty effort.

MISS JAFFRAY:

There's time for just one more question, Dr. Howe, but this is an important one. Many consumers must be asking themselves, as Mrs. S. of Ohio asks me in this letter, "Why must we plough under any of our cotton, why must we cut down on the amount of wheat we raise, or corn, or the number of pigs we grow, when hundreds of thousands -- even millions -- of people need these very things we are destroying? Is this necessary? Does it make sense?"

DR. HOWE:

That is, indeed, a vital question, Miss Jaffray. The answer, as simply told, is this: Farmers have to sell their crops to make a living. They produce for a market. Because the rest of us and consumers abroad haven't had the money to buy all they have produced, or else haven't had the money to pay the farmers what it cost to produce their crops, great surpluses have grown up in the one case, and great loss has come to the farmers in the other case. With the result millions of farm people have been driven to the gravest poverty.

As long as farmers are dependent on the prices they get for a decent living, the only way we have of helping them get it, is to help them control their marketing of these products. This means getting rid of the surpluses that are beating down prices; it means controlling what they produce so that these surpluses do not grow so big in the future. The end of all this, we hope, is a more secure, a more generous, and a less arduous life for the people who contribute so fundamentally to the wealth and prosperity of the nation.

MISS JAFFRAY:

I wish I might go on and tell you of some of the other letters I have here, Dr. Howe. But our time is short. I want now to say a word to our listeners this afternoon. If you have any questions you would like answered on how the government's program for the farmers affects your pocketbook, on how this program is working, on what are its new developments, send them to me in care of the General Federation of Women's Clubs, Washington, D. C.



We want you to be active partners in those discussions that Dr. Howe, and I have with you each week at this time. From now on, in each of these talks, we will take at least part of the time to answer some of your questions over the radio. We can't cover them all in the short time we have, but the rest will get answered by letter. Don't forget. Send your questions on the Agricultural program to the General Federation of Women's Clubs, Washington, D. C.

ANNOUNCER:

Thank you Miss Jaffray. You have just listened to Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs in Washington, and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, on some of the questions consumers are asking about the agricultural program. They will talk to you again as this hour next Thursday.

This is the National Broadcasting Company .....



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A radio interview between Dr. Fred C. Howe, Consumer's Counsel, Agricultural Adjustment Administration, and Miss Julia K. Jaffray, General Federation of Women's Clubs, broadcast Thursday, September 28, by the N.B.C. and a net work of associated stations.

ANNOUNCER:

The National Broadcasting Company and associated stations take pleasure in presenting today another of a series of weekly broadcasts arranged by the General Federation of Women's Clubs. By this series consumers are kept informed of their part in the program of national recovery and the problems peculiar to their interests are discussed. Last week Mrs. Grace Morrison Poole, President of the General Federation, discussed with Dr. Fred C. Howe, Consumer's Counsel of the Agricultural Adjustment Administration, the problem of Milk Distribution. This afternoon, Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the Federation returns to the microphone with Dr. Howe. Miss Jaffray:

MISS JAFFREY:

Dr. Howe, I am going to ask you to discuss today the President's new program providing for the purchase of \$75,000,000 worth of surplus food and clothing materials for distribution among the destitute unemployed. I feel that the women have an especial interest in this new program.

DR. HOWE:

I agree with you, Miss Jaffrey. The Program has a two-fold purpose -- relief for the needy and aid to the farmer by providing an outlet for surplus farm products. As I see it, the women have a two-fold interest in this new project. From the humanitarian standpoint, it should have a particular appeal to them, as the problem of alleviating the distress of the unemployed has been chiefly their business. As consumers, they will be affected by the rise in commodity prices the program aims to bring about.

Secretary of Agriculture Wallace has made an interesting statement in regard to this new program of the President's. He said: "This plan frankly recognizes that the United States Government has at least as much responsibility toward its own people as it assumed toward those of other countries several years ago. It is a frank avowal that we do not propose any longer to see millions of people inadequately clothed and fed, and suffering all the unfortunate consequences of malnutrition and exposure, while surpluses of the commodities they need are begging for a market."

MISS JAFFREY:

As I understand it, Dr. Howe, the Agricultural Adjustment Administration and the Federal Emergency Relief Administration will cooperate in carrying out the program.

DR. HOWE:

That is correct. A new unit has been created in the Agricultural Adjustment Administration to purchase the surplus products to be distributed. To take charge of it Major Robert M. Littlejohn has been borrowed from the War Department where he has served for the last three years as fiscal agent of the



General Staff. No abler man could have been selected to direct this tremendous new job assigned the Agricultural Adjustment Administration. The part of the Federal Emergency Relief Administration in the program will be to distribute the products purchased through Major Littlejohn's unit.

MISS JAFFREY:

Do you know, Dr. Howe, whether a plan has been worked out yet by which each state will be assured an equitable share of the products purchased for the relief of the unemployed?

DR. HOWE:

I am informed that the Federal Emergency Relief Administration will use the same basis for computing state allotments as in its recent allocation of cured pork. You know that the Agricultural Adjustment Administration recently purchased millions of surplus hogs from which 100,000,000 pounds of cured pork were processed for distribution by the various State Relief Administrators among the destitute unemployed. In determining the allotment for each state the number of families on its relief roll was obtained. The percentage of this number in relation to the total number of families on relief rolls in the United States was computed and made the basis for figuring out the State's share of the 100,000,000 pounds of pork to be distributed. To make it clearer, let us take Pennsylvania, which has the largest number of families on its relief rolls of all the states. The number of its families receiving unemployment relief is a little more than 10 per cent of the total number of families on unemployment relief in the United States so Pennsylvania has been allotted a little more than 10 percent of the total amount of pork to be distributed.

MISS JAFFREY:

Has it been determined yet what products are to be purchased under the President's new program?

DR. HOWE:

I understand Major Littlejohn is now making a survey of the surplus farm products to determine that. Beef, poultry, dairy products, cotton and cotton-seed are among the products under consideration.

MISS JAFFREY:

The program includes the purchase of surplus clothing-materials. Does that mean the cotton purchased will be manufactured into cloth?

DR. HOWE:

Yes. Groups of women similar to those organized by the Red Cross last year will make up the material.

MISS JAFFREY:

Do you know, Dr. Howe, how many families in the United States will be



helped by this new relief plan?

DR. HOWE:

According to the figures gathered by the Federal Emergency Relief Administration in a recent survey based on the average number of families in each state and the District of Columbia receiving unemployment relief from April to June last, there is a total of 4,166,754 families on unemployment relief in the United States. Roughly speaking, that means, according to the Relief Administration's estimate, 16,000,000 persons dependent for subsistence on public or private relief bodies.

MISS JAFFREY:

Do you know how many of that number are children?

DR. HOWE:

Unfortunately, there are no authoritative figures available. According to the Children's Bureau, it is safe to say that one-fifth of all pre-school and school children in the United States are showing the effects of poor nutrition.

MISS JAFFREY:

That's shocking!

DR. HOWE:

It's still more appalling to realize that undernourishment will leave permanent scars on these children, who form a large part of the child population that is going to supply our future citizens.

MISS JAFFREY:

The President's program will do much, will it not, toward making available enough milk, eggs, and other foods to nourish adequately these children suffering from hunger?

DR. HOWE:

The President would like to make it possible for every destitute child and adult to receive adequate food this next winter. Speaking of the depression's effect on our children, a conference will be held in Washington next week that will present eloquent evidence of the pressing need of this new program of the President's. It will be called the Child Recovery Conference. We have set up programs and machinery for the recovery of industry and agriculture. This conference will set in motion a program for the recovery of the child. State and other public relief administrators, public health officers, child experts, heads of private relief agencies and leading social workers of the country will meet at the call of Miss Grace Abbott, director of the Children's Bureau. They will bring first hand information describing what the depression is doing to millions of children, how it is robbing them of their health, their



happiness and their futures. The conference will plan for the mobilizing of forces in each state to save these children.

MISS JAFFREY:

The President calls it an economic paradox that there should be hunger in the midst of plenty.

DR. HOWE:

As Harry L. Hopkins, Federal Administrator of Emergency Relief has said, it is perfectly indefensible that surplus milk should be poured into ditches, surplus food lying in warehouses and surplus fruit rotting on the ground while millions go hungry.

MISS JAFFREY:

The new program, as I understand it, is to supplement, not to take the place of the state and local relief agencies.

DR. HOWE:

I am glad you brought up that point, Miss Jaffrey. The various local and state agencies that have been providing unemployment relief will be just as necessary as they have been in the past four years, in some communities perhaps more needed than they were last winter. As you know, the relief given in many places has been at the level of bare subsistence. The hope is that the President's program to purchase \$75,000,000 worth of surplus farm products will supplement state and local relief to such an extent that an adequate diet will be supplied every person on unemployment relief rolls.

MISS JAFFREY:

Will the farmer as well as the destitute unemployed benefit?

DR. HOWE:

Yes, indirectly. The government, by providing an outlet for his surplus food products and his cotton will put money into his pocket. The President's program has been described as a real effort to bridge the gap between supplies and consumption. It is intended to promote the two major objectives of the recovery program--feeding and clothing the unemployed more adequately and hastening agricultural recovery.

MISS JAFFREY:

Dr. Howe, will you explain how the program concerns the consumer?

DR. HOWE:

Ultimately, Miss Jaffrey, it will benefit the consumer indirectly. The farmer represents an enormous buying power. There are some 40,000,000 people living on farms in this country. If all of them or even a substantial part of them had money enough to buy the goods of the manufacturer and retailer, the unemployment problem would soon be solved. The money the farmers would



spend would circulate down through various channels with the result that all lines of business would profit eventually. Opportunities for employment would increase and the general public would ultimately benefit.

MISS JAFFREY:

The President's program aims to increase commodity prices, does it not?

DR. HOWE:

Yes. But the consumer has nothing to fear. As in every other effort of the Administration to raise commodity prices the basic idea is to have prices and wages rise together. By increasing consumption through the ordinary channels of trade it is hoped that this objective may be attained. Enable the farmer to use his buying power and the consuming public will find its earning and buying power increased sufficiently to meet legitimate price rises.

MISS JAFFREY:

How will the \$75,000,000 to purchase the surplus products be obtained?

DR. HOWE:

From the funds of the Agricultural Adjustment Administration supplemented by those of the Federal Emergency Relief Administration.

MISS JAFFREY:

Dr. Howe, I can't think of a program launched by the Administration more important than this.

DR. HOWE:

The Agricultural Department, Miss Jaffrey, says the program is a greater undertaking than any previous activity by the government in conjunction with the Red Cross or any other agency.

MISS JAFFREY:

This has been an instructive discussion, Dr. Howe.

DR. HOWE:

Thank you, Miss Jaffrey. To hear this new program of the President's adequately discussed, I urge you all to listen to the radio talks of Maj. Littlejohn who is in charge of the purchasing unit of the program for the Agricultural Adjustment Administration. I understand he will make his first radio talk shortly and I know you will find what he says most instructive. He alone will be able to keep you in touch with what is being done by his agency.

MISS JAFFREY:

I know this radio audience will look forward to hearing Major Littlejohn.

I should like to add, Dr. Howe, that the General Federation of Women's



Clubs, if its help is needed, will do everything possible to cooperate with the Administration in carrying out the President's wonderful new program. I know that women everywhere will do their part. I know, too, that they will help in every way to raise the funds that will be needed next winter to take care of the unemployed so that the supplementary aid to be given through the President's program may make it possible to feed adequately every child and every adult in the country on the unemployment relief rolls.

ANNOUNCER:

Thank you, Miss Jaffrey and Dr. Howe. We have just listened to Miss Julia K. Jaffrey, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, discuss with Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, President Roosevelt's new program for feeding the hungry. This is one of the weekly interviews which officers of the Federation have had with Dr. Howe on problems concerning the consumer in this emergency period. Copies of Miss Jaffrey's interview can be obtained by writing to the General Federation of Women's Clubs. Washington, D. C.

